

DWR and SWP Contractors Items under Discussion

Note: This is a facilitation team product based on publicly available meeting documents, including the matrix and meeting summaries.

The below list, prepared by the facilitation team, is meant to capture points of discussion from recent negotiation meetings to help us focus on developing the package of key agreements for Contract Extension. The list is not meant to be exhaustive and does not include Objective 4 and other items in the matrix, nor does it necessarily represent commitments or formal offers made by either set of negotiating parties. Instead it's a compilation of key topics to be resolved through these negotiations. Lines in the matrix are cross referenced.

Objective 2**1. Financial Committee (lines 38-80)**

- a. Scope
 - i. Financial management enhancements
 - ii. Financial policy?
 - iii. Technical Committee business potentially comes to this Committee?
- b. Authority
 - i. Charter – DWR current proposal “To be developed and approved by the Committee”
 - ii. Workplan – DWR current proposal “To be developed and approved by the Committee”
 - iii. Other Decisions (recommendations and/or approvals)
- c. Governance structure
 - i. Chair (Deputy Director of the SWP, or Co-Chairs - SWP Dep. Dir. and a SWP C rep)
- d. What is included in the Contract vs. what is included in an MOU, handled through the Charter

2. Revised Bill in lieu of Supplemental Billing (lines 34-35)

- a. Role of Finance Committee in potentially approving the revised bill or not
- b. Use of formula, and size (up to 10% of SOC, or different)

3. Flow of funds (line 95, SWP Contractors Tentative Offer)

- a. Director's discretion on allocating across GOA, SSA, SRA, or not

4. Rate Management Credits (SWP Contractors Tentative Offer)

- a. Rate Management Credits: Contractors proposal of \$48 Million
- b. Additional Rate Management Credits after GOA, SSA, SRA, Additional Systems Purposes (in or out; shared in some manner?)

5. GOA and SSA adjustment (lines 16-19)
 - a. Mechanical Formulas (pre-determined ways to adjust the GOA and SSA up or down)
 - b. Caps (in or out?)
 - c. Role of Finance Committee?
6. 2b Backstop (line 130)
 - a. In or out?
7. RAS (lines 18, 83, 85, 132-133)
 - a. DWR proposal to use \$20 Million to initially fund GOA, returned to Contractors after GOA is fully funded.
8. Capital Facilities Account (line 96)
 - a. DWR proposal to use \$4.5 Million to Fund SSA prior to January 1, 2036.

Objective 3

9. Freeze-Go (lines 134-141)
 - a. Agreement?
10. Expanding 1(hh) (line 151)
 - a. "Finance all other capital projects" – DWR proposed two part approval: 80% approval by affected Contractors and 80% of Table A. Agreement?
11. Re-bill (line 141)
 - a. DWR current proposal, "DWR shall have the ability to continue issuing 'Re-billed' Statements of Charges as needed." ; Agreement?

Objective 1

12. Term of Contract (line 13)

Negotiated upon tentative agreement on other objectives (DWR proposed 40 years, SWP Contractors proposed 75 years)